



Department of Justice

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FOUR MORE DEFENDANTS CONVICTED IN INTERNATIONAL INSURANCE FRAUD SCHEME

Tampa, Florida - U.S. Attorney A. Brian Albritton announces that a federal jury today returned verdicts of guilty against Richard Joseph Solomon (65, of Stone Mountain, Georgia), William Allen Broughton (71, of the Fort Worth, Texas area), Richard William Peterson (69, currently incarcerated in California on other federal charges), and William L. Clancy (68, of Phoenix, Arizona) for a massive international insurance fraud and money laundering scheme. The jury found Solomon, Broughton, and Peterson each guilty of conspiracy to commit mail fraud, wire fraud, and insurance fraud, as well as conspiracy to commit money laundering. The jury found Clancy guilty of conspiracy to commit wire fraud and insurance fraud. Solomon, Broughton, and Peterson each face a maximum penalty of 25 years in federal prison, and Clancy faces a maximum penalty of 5 years. All four are scheduled for sentencing on August 13, 2010.

Two other defendants charged in the same indictment, Karen Leicht (formerly known as Karen Carazo Zapetis) and John E. S. Kramar (also known as Jes Kramar), previously pleaded guilty in the Middle District of Florida and are set for sentencing on August 20, 2010. Numerous other defendants have been convicted in connection with

the scheme, several of whom testified at the trial that culminated in today's guilty verdict.

According to the evidence at trial, the defendants utilized a series of sham offshore companies, rented assets, and falsely-inflated financial statements to issue worthless insurance policies, reinsurance, and financial guarantee bonds across the globe. In the Caribbean island nation of St. Christopher and Nevis (St. Kitts and Nevis), the defendants formed shell "insurance" companies that were never licensed to engage in the business of insurance. In Costa Rica, the defendants formed additional shell companies as wholly-owned subsidiaries of the St. Christopher and Nevis "insurance" shells. And in Panama and elsewhere, the defendants located assets – usually bogus certificates of deposit – for which they arranged to pay "rental fees" so they could display those assets on the "insurance" companies' financial statements. The defendants then generated fraudulent financial statements and unqualified audit opinions, based in part on the "rented" assets, which created the illusion that the "insurance" companies had the capitalization necessary to issue insurance and pay claims.

The defendants' bogus "insurance" companies issued worthless insurance policies, reinsurance, and financial guarantee bonds to victims all over the world, including in the Middle District of Florida through promissory note programs known as Premier Holidays International, Inc. and World Vision Entertainment, Inc. Victims who invested in the promissory notes were told that the notes were backed by insurance in the form of financial guarantee bonds. Because those bonds were fraudulent, however, the victims ended up losing more than \$50 million.

This case was investigated by the Internal Revenue Service - Criminal Investigation, Federal Bureau of Investigation, Postal Inspection Service, and the City of London Police. Additional assistance was provided by law enforcement authorities in Costa Rica as well as former regulatory officials in Panama and the Federation of St. Kitts and Nevis. The case is being prosecuted by Assistant United States Attorneys Rachelle DesVaux Bedke and Laurel F. Moore.